LNF & IHCIF Calculations Illustration

- RED LAKE in Bemidji area -

Given Data

- 6,850 = 1998 user count
- $2,980 = National average cost per person (not including wrap-around costs)
- 20% = % Expenditures on purchased services, 80% = % expenditures in-house
- 96.4% = Cost index for purchasing health care in this geographic area
- 108.1% = Size cost index for in-house costs due to small or large size
- 105.9% = Bemidji area cost index for health status above or below average

Cost Adjustment Calculations

- $575 per person for purchased services = 20% * 96.4% * $2,980
- $2,578 per person for in-house services = 80% * 108.1% * $2,980
- $3,152 per person total = $575 (purchase) + $2,578 (in-house)
- **$3,339 per person total** adjusted for health status = $3,152 * 105.9%
- **$2,594 per person net cost** = $3,339 - $745 Other resources (M&M&PI)

Existing Expenditures (for 6,850 users excluding wrap-around and collections)

- $1,433 per person = local IHS allowance (excludes $ for wrap-around)
- $94 per person = expenditures elsewhere in Bemidji area on behalf of area users
- $54 per person = expenditures elsewhere in IHS on behalf of IHS users
- **$1,581 per person for OU users** = $1,433 + $94 + $54

LNF Calculation

- **47.4% Gross LNF** = $1,581 (expenditures) / $3,339 total cost (ignoring Medicare, Medicaid, PI spending on behalf of OU users)
- **61.0% Net LNF** = $1,581 / $2,594 net cost ($3,339 - $745 other)

IHCIF Allocation

- $0 = $ to raise LNF% from 61.0% to 60%
- $258,040,100 = aggregate $ to raise all locations to 60%
- 3.488% IHCIF fraction = $9,000,000 fund / $258,040,100 needed
- **$0 Allocation** = $0 needed for 60% * 3.488% IHCIF fraction

RED LAKE Unmet Needs

- **$17,767,808 Net Total Need** = 6,850 users * $2,594 net cost
- **$6,935,176 Net Unmet Need** = (100% - 61.0% LNF) * 6,850 users * $2,594 net cost